

SENATE BILL REPORT

E2SHB 2131

As of February 25, 2004

Title: An act relating to retail sales by the liquor control board fully implementing a retail business plan.

Brief Description: Modifying liquor control board provisions.

Sponsors: House Committee on Finance (originally sponsored by Representatives Grant, Chandler, Uptegrove, Clements, Cooper, Armstrong and Morris).

Brief History:

Committee Activity: Ways & Means: 2/25/04.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Catherine Suter (786-7442)

Background: Washington is one of 14 states that controls the retail sale of alcohol by using state-owned and contract liquor stores to sell spirits, wine, and beer. The Liquor Control Board (Board) is responsible for controlling the distribution and sale of alcohol and licensing retailers to sell beer and wine for off-premises consumption.

The Board has the authority to manage the liquor distribution and retail systems, including the authority to determine the number of liquor stores and their hours of operation. There are 154 state-owned liquor stores and 157 contract liquor stores. The Board determines the hours of operation for liquor stores based on the cost of operations and available funds.

State law provides that liquor stores may not be open on Sunday, and that the Board may not advertise liquor.

The state liquor stores generate over \$500 million a year in sales. The state and local governments receive revenue from the liquor store profits and liquor taxes. In fiscal year 2002, the Board contributed 42 percent of gross sales (\$217 million) to state and local governments.

Summary of Bill: The Liquor Control Board is directed to put in place a temporary retail business plan that includes Sunday opening of selected state liquor stores. Vender operated stores are permitted, but not required, to open on Sundays. The same notification and consideration of schools and places of worship are required regarding Sunday opening of state liquor stores as is required for liquor license applications.

The prohibition on Sunday sales is temporarily eliminated, but set to resume on July 1, 2007.

A pilot program is established to test the impact of Sunday opening of liquor stores. The Board is directed to open at least 20 state-operated liquor stores for Sunday sales by September 1, 2004.

- Sixteen stores are to be in a single geographic area determined by the Board.
- Four stores are to be in major metropolitan areas and chosen by the Board based on their potential for high Sunday sales revenues.

The Board must track sales and expenses at stores open on Sundays for comparison to prior to Sunday opening, as well as for the impact of Sunday opening on sales at nearby liquor stores. The Board must report to the Legislature by December 1, 2006, regarding the net impact of Sunday opening.

Employees at liquor stores, including vendor-operated stores, may not be required to work on their Sabbath if doing so would violate their religious beliefs.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.